

Message Text

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COM/BIC/OED/MEPD/JMSANDS, DIR.

COM/BIC/OIM (INFO)

----- 121168

P 152242Z JAN 76

FM SECSTATE WASHDC

TO AMEMBASSY LISBON PRIORITY

INFO AMEMBASSY MADRID PRIORITY

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E.O. 11652: N/A

TAGS: BENC/PO

SUBJECT: MAJOR PROJECT: SIDERURGIA HACIONAL

--- STEEL MILL EXPANSION

REF: LISBON 0124

1. ARTHUR G. MCKEE AND CO. AHD USS ENGINEERS AND CONSULTANTS (UEC) INDICATE THEY INTEND TO PURSUE SN'S MASTER PLAN CONTRACT. LITHIN PAST WEEK BOTH FIOMS HAVE RECEIVED SN'S INVITATION TO PREQUALIFY. THEY ARE PREPARING NECESSARY DOCUMENTATION.

2. OU DISCUSSIONS WITH UEC (SUBSIDIARY US STEEL) REVEALED THAT THEY WERE SOMEWHAT CONFUSED OVER THIS REQUEST FOR PREQUALIFICATION. IN MAY 1975 SN REQUESTED UEC TO SUBMIT A PROPOSAL WHICH COVERED REVIEWING THE FEASIBILITY STUDY ON ITS EXPANSION, DEFINING GENERAL LAYOUT, INTEGRATING UNITS INTO PRESENT COMPLEX AND WRITING GENERAL SPECIFICATIONS FOR THE REQUIRED EQUIPMENT. UEC WAS ALSO INTERESTED IN PERFORMING DETAILED

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ENGINEERING, PROCUREMENT SUPERVISION, AND CONSTRUCTION

MANAGEMENT BUT AT THE TIME THEY WERE TOLD THIS WAS BEING

PROVIDED BY DAVEY ASHMORE (UK). FURTHER WHEN UEC INQUIRED ABOUT BIDDING ON COMPONENTS OF EXPANSION PROGRAM SN INDICATED DEMAG (GERMAN) HAD ALREADY RECEIVED THE CONTRACT FOR THE BOF SHOP AND SLAB CASTERS AND SCHLOEMAN (GERMAN) HAD RECEIVED THE CONTRACT FOR THE HOT STRIP MILL.

3. UEC IS PLEASED THAT SN HAD DECIDED TO RETENDER PROJECT AS THEY NOW HAVE OPPORTUNITY TO BID ON A LARGER PORTION OF THE PROGRAM. TO FOLLOW-UP REFTEL UEC VICE PRESIDENT RUDD GUTTSHALL HAS EXPRESSED INTEREST IN MEETING WITH AMBASSADOR AND COMMERCIAL STAFF AT POSTS CONVENIENCE ON FEBRUARY 2. GUTTSHALL WOULD LIKE TO BRIEF EMOASSY ON UEC'S QUALIFICATIONS AS WELL AS THEIR PRIOR EXPERIENCE WITH SN AND WOULD APPRECIATE EMBASSY GUIDANCE AS TO HOW TO PROCEED. POST IF APPROPRIATE MAY ALSO WISH TO ARRANGE APPOINTMENTS FOR GUTTSHALL WITH KEY GOP/SN OFFICIALS.

4. SN HAS SELECTED TWO EMINENTLY QUALIFIED AMERICAN FIRMS WHICH WE CAN HIGHLY RECOMMEND FOR THIS PROJECT. THEY WERE ASKED TO PRE-QUALIFY BECAUSE OF THEIR REPUTATION AND BECAUSE OF SN'S WORKING KNOWLEDGE OF THE COMPANIES. THERE ARE OTHER QUALIFIED U.S. ENGINEERING FIRMS AND YET WE QUESTION WHETHER THE USG SHOULD ENCOURAGE FURTHER COMPETITION FOR THE TWO FIRMS ALREADY INVOLVED. HOWEVER, IF THE EMBASSY HAS MADE A COMMITMENT TO SN TO PROVIDE A LIST OF FIRMS WE WOULD SUGGEST KAISER ENGINEERS AND THE KOPPERS COMPANY.

5. ACTION REQUESTED: WE REQUEST EMBASSY CONFIRM APPOINTMENT WITH GUTTSHALL THROUGH EMBASSY MADRID WITH INFO TO WASHINGTON. GUTTSHALL WILL BE STAYING AT THE RITZ HOTEL IN MADRID FROM JANUARY 27 UNTIL HIS DEPARTURE FOR LISBON. WE WOULD ALSO APPRECIATE FURTHER INFORMATION ON ROLE OF DAVEY ASHMORE, DEMAG AND SCHLOEMAN IN SN'S CURRENT EXPANSION PROGRAM.

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FINALLY HOW DOES SN INTEND TO FINANCE ITS EXPANSION PROGRAM.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: STEEL, CONSTRUCTION, INDUSTRIAL PLANTS
Control Number: n/a
Copy: SINGLE
Draft Date: 15 JAN 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE010713
Document Source: CORE
Document Unique ID: 00
Drafter: BIC/OED/MEPD/TJASPER/CF
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760016-0341
From: STATE
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1976/newtext/t19760152/aaaabuhg.tel
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Previous Handling Restrictions: n/a
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